

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of 2000 Biennial Regulatory)	
Review--Comprehensive Review of the)	
Accounting Requirements and ARMIS Reporting)	CC Docket No. 00-199
Requirements for Incumbent Local)	
Exchange Carriers: Phase 2 and Phase 3)	

**PHASE 2 FURTHER COMMENTS OF THE
PUBLIC SERVICE COMMISSION OF WISCONSIN**

In CC Docket No. 00-199,¹ the Federal Communications Commission (FCC) issued a Public Notice on June 8, 2001, seeking further comment in Phase 2 of the Comprehensive Review of the Accounting Requirements and Automated Reporting Management Information System (ARMIS) Reporting Requirements for Incumbent Local Exchange Carriers. On October 18, 2000, the FCC released a Notice of Proposed Rulemaking (NPRM) in this proceeding, seeking comments on changes to the FCC's Part 32 Uniform System of Accounts (USOA). According to the FCC, one of the goals in this comprehensive review proceeding is to update the FCC accounting system based on changes in the marketplace and in technology. Based on the FCC's review of the specific accounts and comments filed in this proceeding, the FCC now wishes to focus the record on streamlining the FCC's Class A and Class B accounts, as shown in the attachment to the Public Notice.

¹ 2000 Biennial Regulatory Review--Comprehensive Review of the Accounting Requirements and ARMIS Reporting Requirements for Incumbent Local Exchange Carriers: Phase 2 and Phase 3, CC Docket No. 00-199, *Notice of Proposed Rulemaking*, FCC 00-364 (rel. Oct. 18, 2000)

Discussion

The Public Service Commission of Wisconsin (Wisconsin Commission) submits the following comments on streamlining the FCC's Class A and Class B accounts, as shown in the attachment to the Public Notice regarding Phase 2 of this proceeding. The Wisconsin Commission has previously filed comments in Phases 1, 2, and 3 of this proceeding.

In its original Phase 2 comments, the Wisconsin Commission agreed that the fundamentals of the industry have changed and the FCC's USOA has not evolved to reflect the new technological and market realities. As the industry continues its transition to a more competitive environment, the USOA must evolve. As a result of these changes in the industry, a greater degree of flexibility in managing a company's business and for reporting accounting information is needed. The USOA must meet the needs of company management, regulators, investors, and competitors during the transition process.

While the Wisconsin Commission agrees that it is important to minimize regulatory burdens, it believes that the proper perspective should be to determine what changes, plus and minus, are needed in the new environment. In some areas, less detail should be able to meet regulatory requirements. In other areas, greater detail may be needed to meet changing regulatory needs.

In its original comments in Phase 2, the Wisconsin Commission stated that in addition to eliminating many accounts and sub-accounts that are no longer needed in today's changing regulatory environment, the FCC should consider new accounts that will provide information that can be used to follow the rate of deployment and cost of new technologies, to evaluate prices for unbundled network elements (UNEs) and resold services, to determine separated jurisdictional costs, to provide more details for state access revenues, and to provide insight into

issues related to reciprocal compensation, federal and state universal service support, and collocation.

Based on the FCC's review of the specific accounts and comments filed in this proceeding, the FCC has now revised its proposed USOA for both Class A and Class B utilities. While the Wisconsin Commission appreciates the changes to the USOA that the FCC has made in response to the comments filed in this proceeding, there are a number of additional areas that it believes the FCC should consider to further improve on the USOA.

The Wisconsin Commission notes that many of the changes, though not all, that the FCC has proposed in its June 8, 2001, Public Notice are consistent with the Wisconsin Commission's earlier Phase 2 comments. Attachment A to those earlier Phase 2 comments, which is also attached hereto, shows the FCC USOA as proposed in the original Phase 2 NPRM and a revised chart of accounts that the Wisconsin Commission suggests the FCC consider for Class A companies. This proposed chart of accounts eliminates certain accounts that are no longer needed in today's regulatory environment, while adding new accounts that are relevant in today's more competitive environment. The Wisconsin Commission respectfully suggests that these changes are still applicable for further consideration by the FCC in analyzing the USOA. In particular, the Wisconsin Commission requests that the FCC reconsider the following in establishing a revised Class A and Class B USOA:

- identification of affiliate versus nonaffiliate amounts;
- separate identification of collocation revenues and expenses;
- isolation of flat-rate (PICC) and subscriber line charge (SLC) revenues, respectively, from other revenue sources;
- itemization of universal service support into federal and state sources, respectively;

- addition of sub-accounts for loop and interoffice transport for selected plant accounts; and
- realignment of expense accounts to identify the costs of wholesale and retail operations, respectively.

The Wisconsin Commission believes that the new accounts proposed are, for the most part, equally applicable to Class A companies and Class B companies. The Wisconsin Commission, therefore, suggests that the FCC also consider revising the Class B account structure to add these new accounts.

Dated at Madison, Wisconsin, July 12, 2001

By the Commission:

/s/ Lynda L. Dorr
Lynda L. Dorr
Secretary to the Commission

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Comparison of FCC's Class A Accounts Proposal Contained in October 18, 2000, Notice of Proposed Rulemaking
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CC Docket No. 00-199

FCC Class A Proposal	Wisconsin Commission Class A Proposal	Documentation for Wisconsin Commission Suggested Changes to FCC's Proposal
1120 Cash and equivalents	1120 Cash and equivalents 1. Affiliated 2. Nonaffiliated	Affiliated versus nonaffiliated amounts should also be identified for old account 1160 included in new account 1120 in accordance with the Wisconsin Commission's supervisory jurisdiction over affiliated interest transactions and Telecommunications Act of 1996 requirement in § 272(b)(5) that Bell operating companies conduct all transactions with affiliates on an arms-length basis. Cross-subsidy concerns similar to § 272(b)(5) exist in all affiliate transactions when some services are still not subject to effective competition.
1180 Telecomm. accounts receivable 1181 Acct. rec. allowance-telecomm. 1190 Other accounts receivable 1191 Acct. rec. allowance-other 1200 Notes receivable 1201 Notes receivable allowance 1210 Interest and dividends receivable	1185 Telecomm. accounts receivable-net 1215 Other receivables-net 1. Affiliated 2. Nonaffiliated	Combine existing accounts 1180 and 1181 into new account 1185, Telecommunications accounts receivable-net. Also combine existing accounts 1190, 1191, 1200, 1201 and 1210 into new account 1215, Other Receivables-Net, retaining the affiliated/nonaffiliated breakdown (per the sub-accounts requirement contained in the former accounts and recognizing the Wisconsin Commission's supervisory jurisdiction over affiliated interest transactions) as well as additional reasoning contained above for account 1120.
1220 Inventories	1220 Inventories	No change.
1280 Prepayments	1280 Prepayments	No change.
1350 Other current assets	1350 Other current assets	No change.
1401 Investments in affiliated companies	1401 Investments in affiliated companies	No change.

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1402 Investments in nonaffiliated cos.	1402 Investments in nonaffiliated cos.	No change.
1406 Nonregulated investments	1406 Nonregulated investments	No change.
1407 Unamortized debt issuance exp.	1407 Unamortized debt issuance exp.	No change.
1408 Sinking funds	1408 Sinking funds 1. Affiliated 2. Nonaffiliated	Affiliated versus nonaffiliated amounts should be identified for account 1408 in accordance with the Wisconsin Commission's supervisory jurisdiction over affiliated interest transactions as well as additional reasoning contained above for account 1120.
1410 Other noncurrent assets	1441 Other noncurrent assets & deferred charges	Combine accounts 1410, 1438 and 1439 into new account 1441, Other noncurrent assets & deferred charges.
1437 Deferred tax regulatory asset	1437 Deferred tax regulatory asset	No change.
1438 Deferred maintenance & retirements	1441 Other noncurrent assets & deferred charges	Combine accounts 1410, 1438 and 1439 into new account 1441, Other noncurrent assets & deferred charges.
1439 Deferred charges	1441 Other noncurrent assets & deferred charges	Combine accounts 1410, 1438 and 1439 into new account 1441, Other noncurrent assets & deferred charges.
1500 Other jurisdictional assets-net	1500 Other jurisdictional assets-net	No change.
2001 Telecomm. plant in service	2001 Telecomm. plant in service	No change.
2002 Property held for future telecomm. use	2002 Property held for future telecomm. use	No change.
2003 Telecomm. plant under constr.	2003 Telecomm. plant under constr.	No change.

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2005 Telecomm. plant adjustment	2005 Telecomm. plant adjustment	No change.
2006 Nonoperating plant	2006 Nonoperating plant	No change.
2007 Goodwill	2007 Goodwill	No change.
2110 Land and support assets 2111 Land 2112 Motor vehicles 2113 Aircraft 2114 Tools and other work equip. 2121 Buildings 2122 Furniture 2123 Office equipment 2124 General purpose computers	2110 Land and support assets 2111 Land 2112 Motor vehicles 2113 Aircraft 2114 Tools and other work equip. 2121 Buildings 2122 Furniture 2123 Office equipment 2124 General purpose computers	No change.
2210 Central office-switching 2211 Analog electronic switching 2212 Digital electronic switching 2215 Electro-mechanical switching	2210 Central office-switching 2212 Digital electronic switching .1 Packet .2 ATM 2216 Electro-mechanical & analog switching	Combine existing accounts 2211 and 2215 into new account 2216, Electro-mechanical & analog switching, due to dying nature of these technologies. Provide sub-accounts in account 2212 for packet and asynchronous transfer mode (ATM) in order to evaluate deployment of advanced services. Also provide subsidiary records for main distribution frame, line cards, central processing and features in account 2212 to assist in identification of traffic versus nontraffic sensitive costs. Economic theory supports recovering nontraffic sensitive costs via fixed charges and traffic sensitive costs via usage-based charges.
2220 Operator system	2220 Operator system	No change.

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FCC Class A Proposal	Wisconsin Commission Class A Proposal	Documentation for Wisconsin Commission Suggested Changes to FCC's Proposal
2230 Central office-transmission 2231 Radio system 2232 Circuit equipment	2230 Central office-transmission	Combine accounts 2231 and 2232 into summary account 2230. Also provide sub-accounts for loop and interoffice transport, which will provide information useful in evaluating the reasonableness of forward-looking unbundled network element (UNE) costs.
2310 Information origination/termination 2311 Station apparatus 2321 Customer premises wiring 2341 Large private branch exchanges 2351 Public telephone terminal equipment 2362 Other terminal equipment	2310 Information origination/termination 2321 Customer premises wiring 2351 Public telephone terminal equipment 2363 Other Information Origination/Termination Assets	Combine accounts 2311, 2341 and 2362 into new account 2363, Other Information Origination/Termination Assets. Retained accounts should also contain loop and interoffice transport sub-accounts, which will provide information useful in evaluating the reasonableness of forward-looking UNE costs.
2410 Cable and wire facilities 2411 Poles 2421 Aerial cable 2422 Underground cable 2423 Buried cable 2424 Submarine cable 2425 Deep sea cable 2426 Intrabuilding network cable 2431 Aerial wire 2441 Conduit systems	2410 Cable and wire facilities 2411 Poles 2421 Aerial cable 2422 Underground cable 2423 Buried cable 2426 Intrabuilding network cable 2427 Underwater cable 2431 Aerial Wire 2441 Conduit systems	Combine accounts 2424 and 2425 into new account 2427, Underwater cable. Acceptable to eliminate metallic and nonmetallic distinctions in various accounts due to identical range of depreciation rates prescribed by Wisconsin Commission. Retained accounts should also contain loop and interoffice transport sub-accounts, which will provide information useful in evaluating the reasonableness of forward-looking UNE costs.

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FCC Class A Proposal	Wisconsin Commission Class A Proposal	Documentation for Wisconsin Commission Suggested Changes to FCC's Proposal
2680 Amortizable tangible assets 2681 Capital leases 2682 Leasehold improvements	2680 Amortizable tangible assets	Combine accounts 2681 and 2682 into summary account 2680, Amortizable tangible assets.
2690 Intangibles	2690 Intangibles	No change.
3100 Accumulated depreciation	3100 Accumulated depreciation	No change.
3200 Acc. depr.-held for future telecomm. use	3200 Acc. depr.-held for future telecomm. use	No change.
3300 Acc. depr.-nonoperating	3300 Acc. depr.-nonoperating	No change.
3400 Acc. amort.-tangible 3410 Acc. amort.-capitalized leases 3420 Acc. amort.-leasehold improvements	3400 Acc. amort.-tangible	Combine accounts 3410 and 3420 into summary account 3400, Acc. amort.-tangible.
3500 Acc. amort.-intangible	3500 Acc. amort.-intangible	No change.
3600 Acc. amort.-other	3600 Acc. amort.-other	No change.
4010 Accounts payable	4025 Accounts & notes payable 1. Affiliated 2. Nonaffiliated	Combine accounts 4010 and 4020 into new account 4025, Accounts & notes payable. Affiliated and nonaffiliated sub-accounts should also be provided per additional reasoning contained above for account 1120.
4020 Notes payable	4025 Accounts & notes payable 1. Affiliated 2. Nonaffiliated	Combine accounts 4010 and 4020 into new account 4025, Accounts & notes payable. Affiliated and nonaffiliated sub-accounts should also be provided per additional reasoning contained above for account 1120.
4030 Advance billing & payments	4030 Advance billing & payments	No change.

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FCC Class A Proposal	Wisconsin Commission Class A Proposal	Documentation for Wisconsin Commission Suggested Changes to FCC's Proposal
4040 Customers' deposits	4040 Customers' deposits	No change.
4050 Current maturities-long-term debt	4065 Current maturities	Combine accounts 4050 and 4060 into new account 4065, Current maturities.
4060 Current maturities-capital leases	4065 Current maturities	Combine accounts 4050 and 4060 into new account 4065, Current maturities.
4070 Income taxes-accrued	4085 Accrued taxes	Combine accounts 4070 and 4080 into new account 4085, Accrued taxes.
4080 Other taxes-accrued	4085 Accrued taxes	Combine accounts 4070 and 4080 into new account 4085, Accrued taxes.
4100 Net cur. def. oper. inc. taxes	4100 Net cur. def. oper. inc. taxes	No change.
4110 Net cur. def. nonoper. inc. taxes	4110 Net cur. def. nonoper. inc. taxes	No change.
4120 Other accrued liabilities	4135 Other liabilities	Combine accounts 4120 and 4130 into new account 4135, Other liabilities.
4130 Other current liabilities	4135 Other liabilities	Combine accounts 4120 and 4130 into new account 4135, Other liabilities.
4210 Funded debt	4280 Long-term debt	Combine accounts 4210-4250 and 4270 into new account 4280, Long-term debt.
4220 Premium on long-term debt	4280 Long-term debt	Combine accounts 4210-4250 and 4270 into new account 4280, Long-term debt.
4230 Discount on long-term debt	4280 Long-term debt	Combine accounts 4210-4250 and 4270 into new account 4280, Long-term debt.
4240 Reacquired debt	4280 Long-term debt	Combine accounts 4210-4250 and 4270 into new account 4280, Long-term debt.
4250 Obligations under cap. leases	4280 Long-term debt	Combine accounts 4210-4250 and 4270 into new account 4280, Long-term debt.

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4260 Advances from affiliated cos.	4260 Advances from affiliated cos.	No change.
4270 Other long-term debt	4280 Long-term debt	Combine accounts 4210-4250 and 4270 into new account 4280, Long-term debt.
4310 Other long-term liabilities	4310 Other long-term liabilities	No change.
4320 Unamortized oper. investment tax credits (ITC)-net	4335 Unamortized ITC-net	Combine accounts 4320 and 4330 into new account 4335, Unamortized ITC-net.
4330 Unamortized nonoper. ITC-net	4335 Unamortized ITC-net	Combine accounts 4320 and 4330 into new account 4335, Unamortized ITC-net.
4340 Net noncurr. def. oper. inc. taxes	4345 Net noncurr. def. inc. taxes	Combine accounts 4340 and 4350 into new account 4345, Net noncurr. def. inc. taxes.
4341 Net def. tax liability adjustments	4341 Net def. tax liability adjustments	No change.
4350 Net noncurr. def. nonoper. inc. taxes	4345 Net noncurr. def. inc. taxes	Combine accounts 4340 and 4350 into new account 4345, Net noncurr. def. inc. taxes.
4360 Other deferred credits	4360 Other deferred credits	No change.
4361 Deferred tax regulatory liability	4361 Deferred tax regulatory liability	No change.
4370 Other jurisdictional liabilities & deferred credits-net	4370 Other jurisdictional liabilities & deferred credits-net	No change.
4510 Capital stock	4510 Capital stock	No change.
4520 Additional paid-in-capital	4520 Additional paid-in-capital	No change.
4530 Treasury stock	4530 Treasury stock	No change.
4540 Other capital	4540 Other capital	No change.
4550 Retained earnings	4550 Retained earnings	No change.

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FCC Class A Proposal	Wisconsin Commission Class A Proposal	Documentation for Wisconsin Commission Suggested Changes to FCC's Proposal
5000 Basic local service revenue	5000 Basic local service revenue 5001 Basic area revenue 5002 Optional extended area revenue 5003 Cellular mobile revenue 5004 Other mobile services revenue 5040 Local private line revenue 5050 Customer premises revenue 5060 Other local exchange revenue 5069 Other local exchange revenue settlements 5071 UNE revenue 5072 Interconnection (not otherwise included in other accounts) 5073 Reciprocal Compensation 5074 Federal universal service fund (USF) support revenue 5075 State USF support revenue 5076 Resale 5077 Collocation revenue	Retain existing accounts and supplement with accounts for UNE and interconnection revenue (assisting in the identification of the relative magnitudes of the different methods competitors use to enter the market), reciprocal compensation revenue, federal and state USF support revenue (with subsidiary record categories for each type of support mechanism, per the FCC's Responsible Accounting Officer (RAO) Letter 27), resale revenue, and collocation revenue (this item should be separately identified in the local category, instead of as a subsidiary record in account 5240, in that, per the 1996 Act, it provides interconnection or access to UNEs). The UNE revenue account should contain subsidiary records for each UNE defined in the UNE Remand Order
5080 Network access revenue	5080 Network access revenue	No change.

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CC Docket No. 00-199

FCC Class A Proposal	Wisconsin Commission Class A Proposal	Documentation for Wisconsin Commission Suggested Changes to FCC's Proposal
5081 End user revenue	5081 End user revenue 1. Subscriber line charge (SLC) 2. Non-SLC	SLC and non-SLC (e.g., USF assessments to end users) sub-accounts should be provided in order to separately identify fixed monthly charges versus usage-based charges. This information is useful in evaluating whether revisions to pricing structure are successfully moving toward recovering nontraffic sensitive costs via fixed charges and traffic sensitive costs via usage-based charges.
5082 Switched access revenue	5082 Switched access revenue 1. Flat-rate (PICC) 2. Usage-based	Fixed monthly charges versus usage-based charges should be separately identified via sub-accounts. Separate flat-rate and usage-based sub-accounts may not be necessary if the flat-rate amount is expected to be immaterial due to access charge reform.
5083 Special access revenue	5083 Special access revenue	No change.
5084 State access revenue	5084 State access revenue 1. SLC (end user) 2. Non-SLC 3. PICC 4. Usage-based switched access 5. Special access	These sub-accounts may be useful to state commissions attempting to evaluate whether revisions to pricing structure are successfully moving toward recovering nontraffic sensitive costs via fixed charges and traffic sensitive costs via usage-based charges.

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FCC Class A Proposal	Wisconsin Commission Class A Proposal	Documentation for Wisconsin Commission Suggested Changes to FCC's Proposal
5100 Long distance message revenue	5100 Long distance message revenue 5110 Unidirectional long distance rev. 5120 Long distance private network rev. 5160 Other long distance revenue 5169 Other long distance revenue settlements	Combine existing accounts 5111 and 5112 into account 5110. Combine existing accounts 5121-5129 into account 5120. Retain accounts 5160 and 5169. Respective interstate and intrastate amounts should be provided for each account.
5200 Miscellaneous revenue	5200 Miscellaneous revenue 5230 Directory revenue 5240 Rent revenue 5250 Corporate operations revenue 5260 Miscellaneous revenue 5270 Carrier billing and collection rev. 1. Intrastate 2. Interstate	Combine accounts 5261-5269 into account 5260. Retain accounts 5230, 5240, 5250 and 5270, with respective intrastate and interstate amounts provided for the latter account via sub-accounts.
5280 Nonregulated operating revenue	5280 Nonregulated operating revenue	No change.
5300 Uncollectible revenue	5300 Uncollectible revenue 5301 Uncollectible revenue-telecomm. 5302 Uncollectible revenue-other	Retain existing accounts 5301 and 5302.

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FCC Class A Proposal	Wisconsin Commission Class A Proposal	Documentation for Wisconsin Commission Suggested Changes to FCC's Proposal
6110 Network support expenses 6112 Motor vehicle expense 6113 Aircraft expense 6114 Tools and other work equip. exp.	6110 Network support expenses 6112 Motor vehicle expense 6113 Aircraft expense 6114 Tools and other work equip. exp.	No change.
6120 General support expenses 6121 Land & building expense 6122 Furniture & artworks expense 6123 Office equip. expense 6124 General purpose computers exp.	6120 General support expenses 6121 Land & building expense 6122 Furniture & artworks expense 6123 Office equip. expense 6124 General purpose computers exp.	No change.
6210 Central office switching expenses 6211 Analog electronic expense 6212 Digital electronic expense 6215 Electro-mechanical expense	6210 Central office switching expenses 6212 Digital electronic expense .1 Packet expense .2 ATM expense 6216 Electro-mechanical & analog switching expense	Combine existing accounts 6211 and 6215 into new account 6216, Electro-mechanical & analog switching expense, due to dying nature of these technologies. Provide sub-accounts in account 6212 for packet and ATM in order to evaluate deployment of advanced services. Also provide subsidiary records for main distribution frame, line cards, central processing and features in account 6212 to assist in identification of traffic versus nontraffic sensitive costs. Economic theory supports recovering nontraffic sensitive costs via fixed charges and traffic sensitive costs via usage-based charges.
6220 Operator systems expense	6220 Operator systems expense	No change.

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FCC Class A Proposal	Wisconsin Commission Class A Proposal	Documentation for Wisconsin Commission Suggested Changes to FCC's Proposal
6230 Central office transmission exp. 6231 Radio systems expense 6232 Circuit equipment expense	6230 Central office transmission exp.	Combine existing accounts 6231 and 6232 into summary account 6230. Also provide sub-accounts for loop and interoffice transport, which will provide information useful in evaluating the reasonableness of forward-looking UNE costs.
6310 Info. orig./termination expense 6311 Station apparatus expense 6341 Large private branch exchange expense 6351 Public tel. terminal equip. exp. 6362 Other terminal equipment expense	6310 Info. orig./termination expense 6351 Public tel. terminal equip. exp. 6365 Other information origination/termination (IOT) expense	Combine accounts 6311, 6341 and 6362 into new account 6365, Other IOT expense. Retained accounts should also contain loop and interoffice transport sub-accounts, which will provide information useful in evaluating the reasonableness of forward-looking UNE costs.
6410 Cable & wire facilities exp. 6411 Poles expense 6421 Aerial cable expense 6422 Underground cable expense 6423 Buried cable expense 6424 Submarine cable expense 6425 Deep sea cable expense 6426 Intrabuilding network cable expense 6431 Aerial wire expense 6441 Conduit systems expense	6410 Cable & wire facilities exp. 6411 Poles expense 6421 Aerial cable expense 6422 Underground cable expense 6423 Buried cable expense 6426 Intrabuilding network cable expense 6427 Underwater cable expense 6431 Aerial wire expense 6441 Conduit systems expense	Combine existing accounts 6424 and 6425 into new account 6427, Underwater cable expense. Eliminate metallic and non-metallic sub-accounts for each of the retained accounts, but add sub-accounts for loop and interoffice transport, the latter which will provide information useful in evaluating the reasonableness of forward-looking UNE costs.

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6510 Other property, plant & equip. exp. 6511 Property held for future telecomm. use exp. 6512 Provisioning expense	6510 Other property, plant & equip. exp.	Combine existing accounts 6511 and 6512 into summary account 6510.
6530 Network operations expenses 6531 Power expense 6532 Network administration expense 6533 Testing expense 6534 Plant operations admin. exp. 6535 Engineering expense	6530 Network operations expenses	Combine existing accounts 6531-6535 into summary account 6530.
6540 Access expense	6540 Access expense	No change.
	6551 UNE expense 6552 Interconnection expense (not otherwise included in other accounts) 6553 Reciprocal compensation 6554 Purchased telecommunications service for resale expense 6555 Federal USF support expense 6556 State USF support expense 6557 Collocation	Create new expense accounts (to parallel new suggested revenue accounts) for UNE expense (this account would contain subsidiary records for each UNE defined in the UNE Remand Order), interconnection expense, reciprocal compensation, resale, federal and state USF support expense (with subsidiary record categories for each type of support mechanism, per the FCC's RAO Letter 27), and collocation expense. The UNE and interconnection expense accounts will assist in the identification of the relative magnitudes of the different methods competitors use to enter the market.

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6560 Depreciation & amort. exp. 6561 Depr. exp. – telecomm. plant in service (TPIS) 6562 Depr. exp. – prop. held for future telecomm. use 6563 Amortization exp. – tangible 6564 Amortization exp. – intangible 6565 Amortization exp. – other	6560 Depreciation & amort. exp. 6561 Depr. exp. – TPIS 6562 Depr. exp. – prop. held for future telecomm. use 6563 Amortization exp. – tangible 6564 Amortization exp. – intangible 6565 Amortization exp. – other	No change.
6610 Marketing	6610 Retail Services	Combine existing accounts 6611, 6612, 6613 and 6623 and the retail portion of account 6724, Information Management, into a new account titled Retail Services (synonymous with avoided costs). The FCC may wish to select an account number other than 6610 to avoid possible confusion with the former summary account for marketing. With the requirement to resell wholesale services at a discount, data is needed regarding what are retail costs and what costs will continue to be incurred when providing wholesale services. Making this distinction when costs are originally incurred and classified is easier than attempting to subsequently extract this information.

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6620 Services	6620 Wholesale Services	Combine existing accounts 6621 and 6622 and the wholesale portion of account 6724, Information Management, into a new account titled Wholesale Services. The FCC may wish to select an account number other than 6620 to avoid possible confusion with the former summary account for services. Combine former account 6623 into new Retail Services account. With the requirement to resell wholesale services at a discount, data is needed regarding what are retail costs and what costs will continue to be incurred when providing wholesale services. Making this distinction when costs are originally incurred and classified is easier than attempting to subsequently extract this information.
6710 Executive and planning	6710 Executive and planning	No change.
6720 General and administrative	6720 General and administrative 6721 Accounting and finance 6722 External relations 6723 Human resources 6725 Legal 6726 Procurement 6727 Research and development 6728 Other general and administrative	Retain existing accounts with the exception of account 6724, which should be moved either to the new Retail Services or Wholesale Services account (per above notations for accounts 6610 and 6620).
6790 Provision for uncollectible notes receivable	6790 Provision for uncollectible notes receivable	No change.

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7100 Other oper. inc. & exp.	7100 Other oper. inc. & exp. 7110 Income from custom work 7130 Return from nonreg. use of reg. facilities 7141 Operating gains & losses	Retain existing accounts 7110 and 7130. Combine gains and losses previously included in existing accounts 7140, 7150 and 7160 into new account 7141, Operating gains & losses.
7200 Operating taxes 7210 Operating ITC-net 7220 Operating federal income taxes 7230 Operating state & local inc. taxes 7240 Operating other taxes 7250 Prov. for def. oper. inc. taxes-net	7200 Operating taxes 7210 Operating ITC-net 7220 Operating federal income taxes 7230 Operating state & local inc. taxes 7240 Operating other taxes 7250 Prov. for def. oper. inc. taxes-net	No change.
7300 Nonoperating income & expense 7340 Allow. for funds used during construction (AFUDC) 7360 Other nonoperating income 7370 Special charges	7300 Nonoperating income & expense 7310 Dividend income 7320 Interest income 7330 Inc. from sinking & other funds 7340 AFUDC 7350 Nonoperating gains & losses 7360 Other nonoperating income 7370 Special charges	Retain existing accounts. Rename account 7350 to Nonoperating gains & losses to reflect nonoperating nature of account.
7400 Nonoperating taxes	7400 Nonoperating taxes 7401 Nonoperating federal taxes 7402 Nonoperating other taxes	Substitute two new accounts, 7401 (Nonoperating federal taxes) and 7402 (Nonoperating other taxes), for existing accounts 7410, 7420, 7430, 7440 and 7450.

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CC Docket No. 00-199

FCC Class A Proposal	Wisconsin Commission Class A Proposal	Documentation for Wisconsin Commission Suggested Changes to FCC's Proposal
7500 Interest and related items 7510 Interest on funded debt 7520 Interest expense-capital leases 7530 Amort. of debt issuance exp. 7540 Other interest deductions	7500 Interest and related items 7510 Interest on funded debt 7521 Other interest expense 7530 Amort. of debt issuance exp.	Combine existing accounts 7520 and 7540 into new account 7521, Other interest expense.
7600 Extraordinary items	7600 Extraordinary items	No change.
7910 Inc. effect of jurisdictional ratemaking differences-net	7910 Inc. effect of jurisdictional ratemaking differences-net	No change.
7990 Nonregulated net income	7990 Nonregulated net income	No change.